

08/22/2005 15:46

7917361

SANJUANWATERDIST

PAGE 02/03



San Juan Water District

P.O. Box 2157 - Granite Bay, California 95746 • 916.791.0115
9935 Auburn Folsom Road - Granite Bay, California 95746
Fax: 916.791.7361 • www.sjwd.org

Directors

Dave Peterson, President
Edward J. "Ted" Costa, Vice President

Dorothy Kilgore
Kenneth H. Miller
Pamela Tobin



General Manager
Shauna Lorance

August 12, 2005

Michael Bonnie, President
Hidden Lakes Homeowners Association
c/o Frei Real Estate Services
8340 Auburn Blvd. #100
Citrus Heights, CA 95610-0363

Subject: Water Seepage Issue on Jon Way

Dear Mr. Bonnie:

It has been brought to my attention that there is water seeping from the Homeowners' Lake onto neighboring property on Jon Way.

Licensed engineers have conducted water analysis and geotechnical evaluations and concluded that the water on the neighboring properties is from the homeowners' lake. The District has visited the site, and agrees with the findings from the engineers. During a recent meeting at the site, the homeowners' association contended that the water could be from leaking from District pipes. To address this issue, the District hired Hughes Utilities Services to conduct a leak detection test on all District pipes in the area. Hughes did not locate any leaks in the pipelines in the area of the seepage, or in an extended evaluation around the area of Jon Way and East and West Hidden Lakes Drive. A copy of the final report on the results of the leak detection testing is anticipated to be received by the end of August. For your records, a copy will be forwarded to you when received.

The homeowners association purchases water from San Juan Water District (District) to supplement the natural water flow into the Homeowners' Lake. One of the requirements for purchasing water from the District is for water to be used only for beneficial uses. The District's Ordinance 11.1.1 prohibits customers to allow water to escape or flow onto neighboring property.

Please provide a copy of the homeowners association's action plan for eliminating the seepage of water from the homeowners' lake onto neighboring property. I would appreciate receiving this information prior to August 31, 2005.

08/22/2005 15:46 7917351

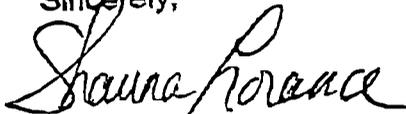
SANJUANWATERDIST

PAGE 03/03

Michael Bonnie
August 12, 2005
Page 2

If you have any questions, or would like to discuss further, please do not hesitate to contact me on my direct line at 916-791-6936.

Sincerely,



Shauna Lbrance
General Manager

